



# NEWS

## R E L E A S E

**RALPH T. HUDGENS**  
COMMISSIONER OF INSURANCE  
SAFETY FIRE COMMISSIONER  
INDUSTRIAL LOAN COMMISSIONER  
COMPTROLLER GENERAL

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Seventh Floor, West Tower  
2 Martin Luther King Jr. Dr.  
Atlanta, Georgia 30334  
[www.oci.ga.gov](http://www.oci.ga.gov)

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**Contact Matt Kilgallen**  
**404-651-7902**

**[PublicInformation@oci.ga.gov](mailto:PublicInformation@oci.ga.gov)**

### **Georgia Insurance Commissioner Ralph Hudgens Requests Waiver from Key Element of Obama Care**

**Atlanta-** Georgia Insurance Commissioner Ralph Hudgens announced today his plan to request a waiver from the federally imposed Medical Loss Ratio (MLR) standard for 2011, 2012 and 2013 found in the Patient Protection and Affordable Care Act (ACA) or what is commonly known as Obama Care. In his letter of transmittal requesting the waiver to Kathleen Sebelius, Secretary of the U.S. Department of Health and Human Services, Hudgens said, "Although I believe that ACA is unconstitutional and fully support the various legal challenges to its constitutionality, it is my duty as Commissioner to do everything possible to protect the interests of Georgia citizens and the viability of the Georgia insurance market."

According to Hudgens the purpose of Georgia's request for an MLR waiver is three-fold. First, we should do no harm to Georgians with health issues who are currently insured in the individual market. For these individuals it is imperative that their current insurer remain in the Georgia individual health market. Second, the phase-in period will give insurers time to adjust business models to compete in the proposed federal system should it be deemed constitutional. Third, the waiver will help preserve consumer access to agents or brokers who explain and facilitate the purchase of individual health policies. In announcing his plan to seek the waiver, Ralph Hudgens said, "I am concerned that the Obama Administration has a fundamental distrust of the role that brokers and agents play in the orderly delivery of health insurance. It appears to me that the current law is engineered to eliminate the agent from the marketplace by reducing the commissions that can be paid on the sale of a health insurance policy. I believe that agents are vital in assisting Georgians in making sound health insurance choices."

Commissioner Ralph Hudgens also states in his letter, "Madam Secretary, unless the MLR waiver is granted it is my opinion that Georgia's individual health market will become less competitive. Moreover, many thousands of Georgians will lose their current insurance coverage as smaller insurers make difficult decisions to exit the individual market rather than to continue in it at a loss." Hudgens says that a waiver to the MLR standard is necessary to avoid destabilizing the individual market in Georgia.

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